Raytheon

UID
Unique Identification
DFARS 252.211-7003

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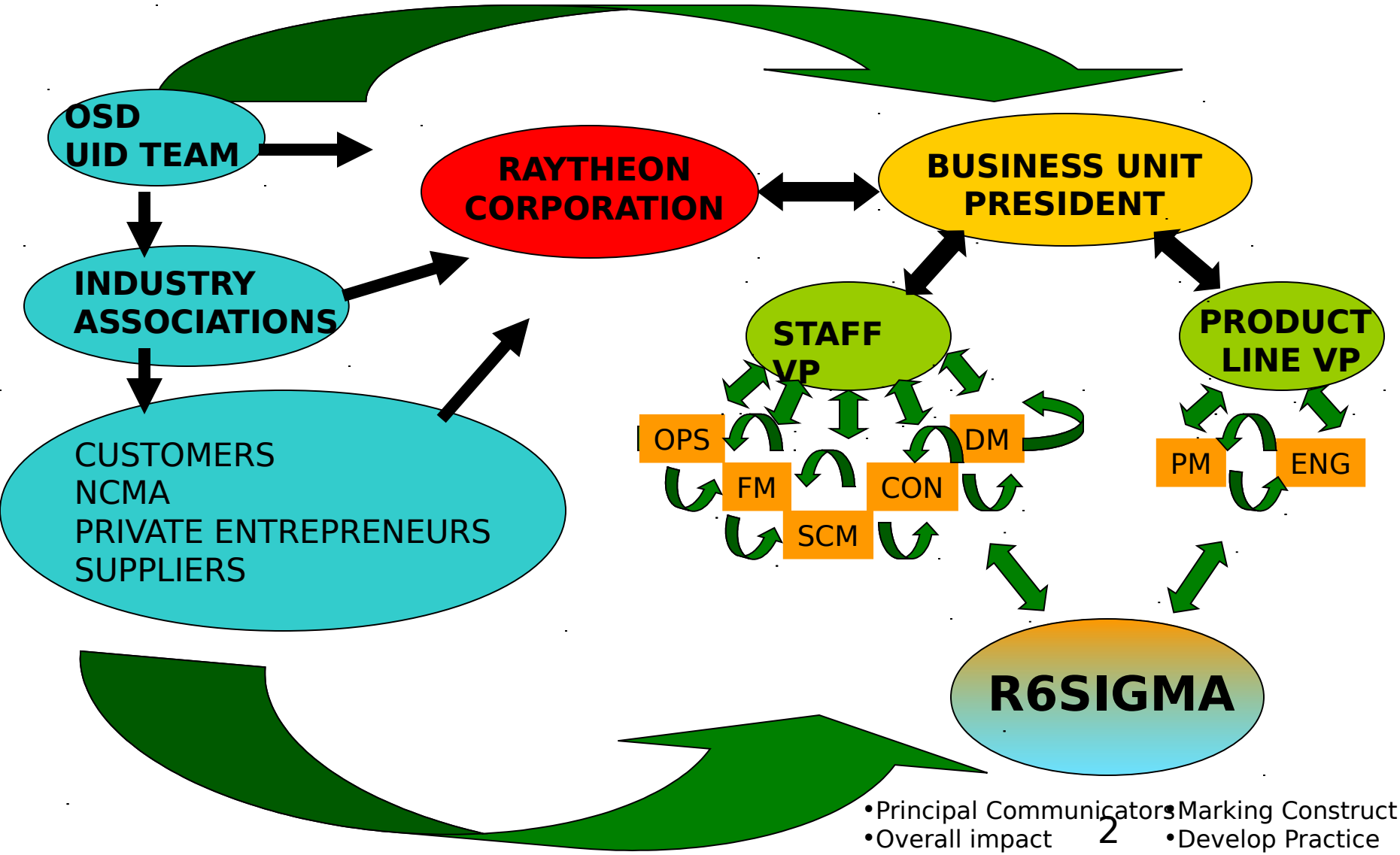
OVER LOAD OF INFORMATION



- Principal Communicators
- Overall impact
- Assess Costs
- Marking Construct
- Develop Practice
- Concept of Operations

What Raytheon Missile Systems is Doing with UID Implementation

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- **Multi-disciplinary team formed**
- **Established a clear definition of UID requirements**
- **Evaluated our readiness for UID**
- **Assessed marking and scanning tools**
- **Developed a Concept of Operations**
- **Developed requirements for UID integration into our business process modernization**
- **Developed a comprehensive communication plan**

TEAM CHART

SPONSORS

TEAM LEAD

Functional Team Membership

- **Program Management**
- **Configuration Management**
- **Data Management**
- **Contracts**
- **Manufacturing and Process Engineering**
- **Supply Chain Management**
- **Information Technology**
- **Finance**
- **Six Sigma Experts**

REQUIREMENTS

- **Original Proposed Requirement (INITIAL Fall '03 DFAR CASE)**
  - **Mark everything over $5K**
  - **Mark everything critical as determined by decision matrix**
  - **Mark value on parts (open issue)**
  - **Mark software and R & D hardware**
  - **Flow down requirement in total to subs**
  - **No cost to Government**

- **Interim Rule (30 DEC 03 DFAR CASE)**
  - **Mark CLINS and SubCLINS over $5K**
  - **Mark critical items regardless of dollar value, i.e. spare, if listed in the contract**
  - **Provide item acquisition cost on the DD250 for all UID items being delivered**
  - **Flow down to subs if item is listed in contract clause**
  - **No software or R & D markings**
  - **Government allows cost impacts**

- **Final Rule - 22 April 2005 (Case 2003-D081)**
  - **No Significant Changes**
  - **Clarified a lot of potential misunderstandings**

IMPACT ON RMS

- **Identify Requirement in all DoD RFPs issued after 01 Jan 04**
- **Identify Change in Pricing Requirements**
- **Ensure compliance before delivery**
- **<u>Immediate Requirements</u>**
  - **Determine RMS marking scheme**
  - **Determine current and required capabilities**
  - **Develop program and pricing guidance**
  - **Implement supplier guidance**
  - **Continue to address open issues**

IMPACT ON RMS

- **Longer Term**
  - **WAWF Requirements**
  - **Gov’t expansion plans**
    - **On legacy systems**
    - **On GFP**
    - **Possible value to Raytheon**
    - **RFID**

EARLY 2004 COMPLIANCE ACTIONS COMPLETE

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- **Determined RMS Marking Procedure**
- **Estimating Worksheet**
  - **Marking Costs**
  - **Process and Work Instructions**
  - **Drawing Change Cost**
- **Program Management Briefings**
  - **Explained requirements**
  - **Helped guide customers**
  - **Applies to deliverable CLINS only**
  - **Recommended best approach**
    - **Mark separable items too**

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EARLY COMPLIANCE ACTIONS

- **Contracts Briefing**
- **Determined Marking Capabilities/Plan**
  - **Gap Analysis**
  - **Recommended marking approaches**
  - **Requested capital for marking equipment**
- **Investigated Acquisition Reform SPIs**
  - **Cost**
  - **Drawing Change**
- **SCM Flowdown**

What Raytheon Needs from its Supplier Partners

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- **Compliance with all flow down UID requirements**
- **Ongoing collaboration and dialogue with Raytheon in developing forward-thinking UID implementation strategies**
- **Commitment and Participation in Pilot Efforts**
- **Sharing of best practices and lessons learned**

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Mike Wynne
May 12,2005 Memo

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Summary of 12 May 05 Memo

- **Expanded his 23 Dec 2004 memo**
  - **Need to work with Program Office for execution plans**
- **Property is to identified by 30 Sep 2006**
- **Program Manager must address UID implementation including property in possession of contractors (PIPC) at milestone decision reviews**
- **Plans are due 01 Jan 2006 to the respective Milestone Decision Authorities and the UID Program Office**
- **Block Contract Changes – SPI Process**
  - **Within 60 day from the effective contract award date the contractor will submit an alternate implementation plan**
  - **Customer review and concurrence back to CO within 160 days**
  - **CO/ACO may incorporate the proposed implementation plan prior to final review/approval**

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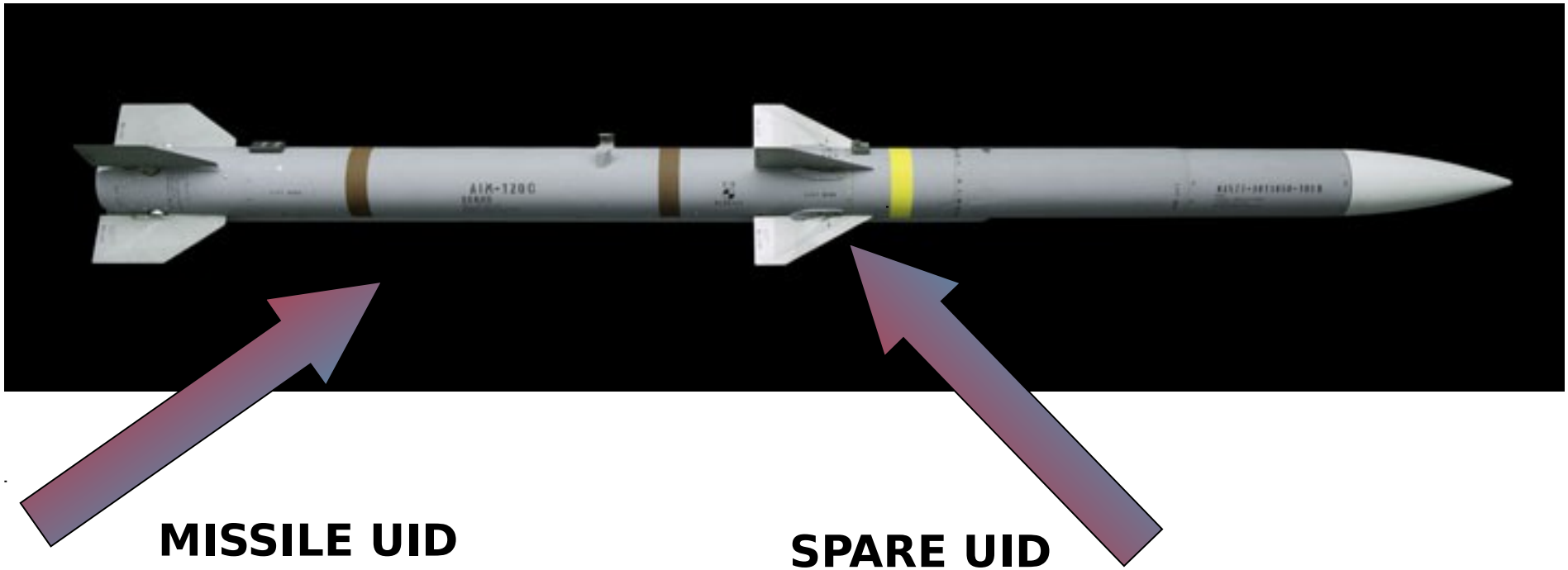
CURRENT ACTIVITIES

- **Working with Customer Program Office for Jan '06 UID Plans for Critical Programs**
  - **Detail**
  - **Time**
  - **Level of marking**

Most Easy – ex. AMRAAM

- **Some Hard**
  - **Phalanx – 8000 parts**
    - **80 serially managed**
- **Looking at GFP/PIPC Issues**
  - **Cost/Benefit of Compliance**
  - **1662 Elimination**
- **Looking at MIL-STD 130M**
  - **Contract requirements**
  - **May need an SPI to tailor markings on certain surfaces**
    - **70% are on labels**

RMS UID INCORPORATION



CURRENT ACTIVITIES CONTINUED

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- **Product Line Expert being trained for each product line**
  - **Responsible for working with customer and program office to help formulate workable legacy UID plans**
    - **Take advantage of opportunities**
      - Repair/Overhaul
- **Be the go-to expert for all UID issues in the product line**
- **Utilize the Six Sigma team role to UID Guidance and RFID Issues**

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SUMMARY OF IMPACTS

- **Normal change – Cost per UID item**
  - **Drawing Change**
  - **Work/Planning Instructions**
  - **Marking Costs**
- **Unique**
  - **Design change for marking**
- **Capital Equipment**
  - **Funding requirements**
- **New Programs**
  - **Drawings/working instructions are new**

Summary

- **RMS IS READY TO IMPLEMENT UID!!**
- **This really is not that hard or expensive if done in an orderly manner.**
  - **A lot of small business already are compliant**
- **Customers are generally cooperative in addressing UID**
  - **Some execution errors**
    - **Accepting it without knowing the requirements**
    - **Customers changing their mind – false starts**
  - **NAVAIR Example**
    - **Mark Spares based on availability of funds**
    - **Change their mind**

RMS RFID

- **RMS is proceeding with RFID**

- **Identify Requirements**
  - **Contractual**
  - **Technology**

- **Similar issues as UID**
  - **Except isolated to final product, does not effect manufacturing processes.**
  - **Control Communications**
  - **Team approach/implementation**